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ABSTRACT

The success of the Developing Institutions program in strengthening the nation's higher education resources is discussed by the Comptroller General of the United States. The program is authorized by Title III of the Higher Education Act of 1965, as amended. Uses of Title III funds and eligibility requirements are described, along with institutional characteristics influencing program eligibility. Statistical analysis of OE eligibility determinations and funds awarded is reported, and current eligibility determinations noted. Limitations on assessing program benefits are also discussed, as well as the need for improvements in program administration regarding grant award notification and program monitoring. Recommendations to HEW are included with agency comments. (LBH)

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REPORT TO THE CONGRESS

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

Assessing The Federal Program For Strengthening Developing Institutions Of Higher Education

Department of Health, Education, and Welfare

Office of Education

The Higher Education Act authorizes an assistance program to certain institutions of higher education--commonly referred to as developing institutions. This report shows that the Office of Education needs to define more clearly the term "developing institution" and the purpose and thrust of the program so that institutions intended to receive assistance by the legislation participate in the program. The report discusses how program impact can be heightened through improved program evaluation and administration.

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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OCT. 31, 1975

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-164031(1)

To the President of the Senate and the
Speaker of the House of Representatives

This report discusses the success of the Developing Institutions program in strengthening the Nation's higher education resources. The program is authorized by title III of the Higher Education Act of 1965, as amended (20 U.S.C. 1051), and is administered by the Office of Education, Department of Health, Education, and Welfare.

Authority for our review is contained in the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Director, Office of Management and Budget, and to the Secretary of Health, Education, and Welfare.

Comptroller General
of the United States

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ABBREVIATIONS

GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
OE	Office of Education

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

ASSESSING THE FEDERAL PROGRAM FOR STRENGTHENING DEVELOPING INSTITUTIONS OF HIGHER EDUCATION

Office of Education
Department of Health, Education, and Welfare

D I G E S T

Direct Federal aid aimed at strengthening institutions of higher education, commonly referred to as "developing institutions" is authorized by the Higher Education Act, title III.

These institutions are considered to have the desire and the potential to make a major contribution to the Nation's higher education resources. However, they are isolated from the main currents of academic life and are struggling for survival.

To help insure that intended institutions are receiving Federal assistance the Office of Education needs to (1) identify developing institutions more clearly, (2) define the purpose and thrust of the program, and (3) improve program evaluation and administration.

GAO recommends that the Secretary of Health, Education, and Welfare:

--Reconsider the criteria for identifying developing institutions so that such criteria in fact identify those institutions intended by the legislation. (See pp. 13 and 14.)

--Depending upon results of the above, make sure that the criteria are modified appropriately and applied consistently. (See p. 14.)

--Reemphasize the need for participating institutions to state their project goals in specific, measurable terms and report the impact of Federal assistance on their growth. (See p. 21.)

--Consider how well the institutions have complied with program regulations for planning and evaluation when decisions to award grants are made. (See p. 22.)

--Use the program eligibility criteria as a means to evaluate the overall impact of the program. (See p. 22.)

--Notify participating institutions of their awards in time to permit adequate planning and application of title III activities. (See p. 26.)

--Improve monitoring of the program by developing and implementing more practical means for site visits. (See p. 26.)

Much of GAO's work regarding program definition and thrust involved statistical analyses to determine which institutional characteristics may have influenced (1) the Office's decision to make grants to the institutions selected to participate in the program during the 1973-74 school year and (2) total funds these institutions received. (See pp. 6 to 10.)

GAO was unable to assess the program's success nationwide because the Office has not defined a developing institution specifically nor determined when an institution would be considered developed. (See p. 17.)

Attempts to assess program benefits at 10 institutions were thwarted because (1) institutions had not evaluated program or project results objectively, (2) institutions had not planned their programs or projects adequately, and (3) grants received usually constituted only a small portion of an institution's operating income. (See pp. 17 to 21.)

Administration of the program could be strengthened if the Office provided grant notifications earlier. (See pp. 23 and 24.)

CHAPTER 1

INTRODUCTION

Federal assistance to institutions of higher education has been either direct, in the form of contracts, grants, and loans for construction, research, and special programs, or indirect in the form of aid to the students attending these institutions. With construction grants and loans tapering off, the largest program of direct Federal aid to institutions is administered by the Office of Education (OE), Department of Health, Education, and Welfare (HEW), under title III of the Higher Education Act of 1965, as amended, (20 U.S.C. 1051). Title III authorizes the Commissioner of Education to make grants to strengthen developing institutions' academic quality. Such institutions are defined in the act as institutions of higher education which have the desire and potential to make a substantial contribution to the Nation's higher education resources but which are struggling for survival and isolated from the main currents of academic life.

Studies indicate that a great many institutions of higher education are, because of financial and other reasons, struggling for survival. A 1973 report by the Carnegie Commission observed:

> "Yet education in the United States--primary secondary, and higher education--is in grave trouble. Higher education, after a period of 20 years following World War II when it attained its greatest glory through notable achievements in scientific research and through expansion to serve huge additional numbers of students now faces several intense crises suddenly and almost at once."[1]

In discussing these crises, the report referred, in part, to a "new depression" within the higher education community. In view of the financial and other crises facing higher education and because of title III's potentially major contribution to the higher education community, we looked at the program to see if it was achieving its objectives and, if not, what improvements were needed.

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[1] "Priorities for Action: Final Report of Carnegie Commission On Higher Education," (McGraw Hill, 1973).

USES OF TITLE III FUNDS

OE makes title III grants available to assist developing institutions in strengthening their academic, administrative, and student services (for example, placement, counseling, and tutoring) programs. Developing institutions, according to OE, are characteristically limited in their ability to attract students, to engage outstanding faculty, to offer diverse curricula, and to acquire adequate financial resources. OE awards grants to help institutions overcome these handicaps and to develop the basic strengths needed to attain secure status and national visibility. Late in fiscal year 1973, OE started a new program within the act's framework; as a result, the title III program was divided into two areas--the Basic Institutional Development Program and the Advanced Institutional Development Program.

Regulations for the basic program provide that grants may be used for cooperative arrangements between developing institutions and other institutions of higher education or other organizations. Activities under such arrangements include faculty or student exchanges, visiting scholars programs, faculty and administrative improvement projects, introducing new curriculums and curricular materials, and jointly using facilities such as libraries and laboratories. When such arrangements involve a developing institution and another organization, the organization is called an assisting agency and provides assistance and resources to the developing institution for a fee.

Grants may also be made to individual institutions to provide (1) national teaching fellowships to highly qualified graduate students and junior faculty members of institutions of higher education for teaching at developing institutions and (2) professors emeritus awards to retired professors to encourage them to teach or conduct research at developing institutions.

Those institutions OE deems most developed among institutions within the basic program are then considered for funding under the advanced program. This determination is to be made by identifying those institutions that are strongest in relation to their peers. Much larger grants are provided to a few institutions, which, in OE's judgment, have the potential for accelerated institutional development. These grants are supposed to result in totally developing these institutions.

ELIGIBILITY REQUIREMENTS

To be eligible for title III assistance, the law stipulates that an institution of higher education, as a minimum, must

--provide an educational program, for which it awards a bachelor's degree, or be a junior or community college,

--be accredited by a nationally recognized accrediting agency or association (or be making reasonable progress toward accreditation), and

--with certain exceptions, have met the above two requirements during the 5 years preceding the grant year.

The law also stipulates that institutions of higher education meet such other requirements as the Commissioner of Education may prescribe by regulation. Under these requirements, the Commissioner must determine that the institutions are (1) making a reasonable effort to improve the quality of teaching and administrative staffs and student services and (2) struggling for survival because of financial or other reasons and isolated from the main currents of academic life.

To help the Commissioner (1) identify developing institutions through which the title III program's purposes can be achieved and (2) establish priorities and criteria to be used in making grants, the law established an Advisory Council on Developing Institutions.

PROGRAM FUNDING

Appropriations for title III, since it began in fiscal year 1966 through fiscal year 1975, totaled just over $500 million. Authorization for title III expired June 30, 1975, however, the General Education Provisions Act (20 U.S.C. 1224) provides for an automatic 1-year extension.

The table on page 4 shows amounts requested by institutions, appropriations for the title III program, and the numbers of institutions requesting and receiving assistance for fiscal years 1966-74.

Year	Amount requested by institutions	Appropriations	Applications received (note a)	Applications approved (note b)
	(thousands)			
1966	$ 32,250	$ 5,000	536	158
1967	56,800	30,000	538	466
1968	113,900	30,000	500	368
1969	95,200	30,000	643	415
1970	85,400	30,000	646	442
1971	105,050	33,850	723	505
1972	143,000	51,350	787	556
1973 (note c)	220,000	87,350	924	475
1974 (note c)	598,000	99,992	905	390
Total	$1,449,600	$398,042		

[a]Includes institutions applying as direct grantees plus those applying under a cooperative arrangement.

[b]Includes institutions that were direct grantees plus those that benefited indirectly through participation in cooperative arrangements.

[c]Includes data for both the basic and advanced programs.

Both 2- and 4-year institutions, public and private, that meet the legal requirements are eligible to receive grants. The law requires that, beginning with fiscal year 1973, 76 percent of each year's appropriation be allotted for 4-year institutions and 24 percent for 2-year institutions. Previously, these rates were 77 and 23 percent, respectively. The table below shows the grant distribution for fiscal years 1972-74.

Category	FY 1972 grants	Percent of total	FY 1973 grants	Percent of total	FY 1974 grants	Percent of total
	(thousands)		(thousands)		(thousands)	
2-year public	$ 8,944	17	$15,856	18	$20,945	21
2-year private	2,932	6	5,120	6	3,055	3
4-year public	16,227	31	23,979	27	27,325	27
4-year private	23,697	46	42,395	49	48,667	49
Total	$51,800	100	$87,350	100	$99,992	100

Title III basic program grants are for 1 year, although institutions may receive a succession of 1-year grants to carry out certain projects. Advanced program grants are multiyear awards. During fiscal years 1971-73, assistance to participating institutions ranged from $2,500 to $675,000.

SCOPE OF REVIEW

Our review concentrated on OE's basic program; our efforts on the advanced program were limited to obtaining information on OE's implementation plans and the concepts upon which the new program is based.

Our fieldwork consisted of

--visits to 10 institutions that received title III funding for school year 1972-73 (generally, a school year begins in September and ends the following May);

--interviews with OE program staff and higher education association representatives and with officials of organizations serving as assisting agencies;

--examinations of legislation, congressional hearings, and title III program documents; and

--analyses of questionnaire responses from institutions applying for grants in fiscal years 1972 or 1973.

We also performed two analyses to determine (1) which institutional characteristics may have influenced OE's decisions to make grants to the institutions selected to participate in the basic program during school year 1973-74 and (2) the total amount they received. To make our analyses, we used data from OE's applicant profiles and 1973-74 award books.

The 10 institutions visited were: five 4-year private institutions, four 4-year public institutions, and one 2-year public institution, located in Texas, Louisiana, and Arkansas. They received grants totaling over $14 million during their participation in the program.

We sent questionnaires to all 946 institutions that applied for basic program grants in fiscal year 1972 or 1973. We sent 2 different questionnaires--1 to 695 applicant institutions that previously participated in the title III program and 1 to 251 applicant institutions that

never participated. Institution administrators were asked questions regarding their perception of the title III program's purpose and their experiences in applying for grants. We also asked them to suggest how the program could be improved. In addition, administrators from the group that received grants were asked questions about the effects of title III on their institutions and other matters related to their involvement in the program. Completed questionnaires were returned by 522 (75 percent) of the applicants that previously participated in the program and by 183 (73 percent) of those that never participated.

CHAPTER 2

INSTITUTICNAL CHARACTERISTICS

INFLUENCING PROGRAM ELIGIBILITY

Title III legislation defines a developing institution and prescribes general eligibility requirements that applicant institutions must satisfy (see ch. 1). As suggested by comments in the legislative history, however, the Congress recognized that the definition and general requirements were so broad that almost any institution of higher education would be eligible for assistance. Accordingly, the legislation requires the Commissioner of Education to prescribe specific eligibility requirements. Such requirements were not established at the time of our fieldwork.

An OE contractor evaluated the title III program operations for fiscal years 1966 and 1971 and developed a profile of characteristics of developing institutions. The resultant report concluded that:

> "* * * there is no single characteristic--apart from the fact that they did get title III funding--which sets the 'developing institutions' apart from other comparable institutions of higher education in the United States."[1]

This raised several questions. What criteria were considered in selecting applicant institutions to participate in the program? Were they consistently applied?

According to OE officials, since 1971 they have increasingly emphasized funding schools with a high percentage of low-income students, and for school year 1973-74 this was the single most important factor in awarding grants. During hearings before the House Appropriations Committee held in March 1973, an HEW official stated that the economic status of an institution determined its eligibility for program assistance. He further stated that most schools which are eligible due to lack of economic capacity have a predominantly minority student body and a large percentage of low-income students.

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[1]Harold L. Hodgkinson and Walter Schenkel, "A Study of Title III of the Higher Education Act: The Developing Institutions Program" (Center For Research and Development in Higher Education, University of California, Berkeley, California, Jan. 1974).

Program applicants' views reflected a somewhat different emphasis. Twenty-five percent of all institutions responding to our questionnaire believed that the program should be directed toward low-income students' needs. Seventy percent believed, however, that the primary purpose was to strengthen the institution.

Because, at the time of our fieldwork, we were uncertain of the criteria OE used to determine institutions' eligibility and whether OE applied its criteria consistently, we performed statistical tests to determine which institutional characteristics may have influenced OE's decisions. For the most part, the characteristics, shown by our analysis to have a statistically significant impact on eligibility determinations, did not appear to be of the type that could be used to determine whether an institution was trying to improve or whether it was struggling for survival.

STATISTICAL ANALYSES OF OE ELIGIBILITY DETERMINATIONS AND FUNDS AWARDED

To determine which institutional characteristics may have influenced OE decisions to select institutions to participate in the basic program during the 1973-74 school year, we used a statistical technique known as discriminant analysis. In addition, because of the wide range in the total funds made available to the institutions, we used a statistical technique called multiple regression analysis to see which characteristics may have influenced the total funds received.

Grant applications are reviewed and rated by teams of independent evaluators selected from the higher education community, including developing institutions. OE staff members review their comments and recommendations and make the final recommendation to approve or disapprove the application. In reviewing the applications, the evaluators, as well as OE staff members, consider a number of characteristics, contained on institutional profile sheets, which are used to identify the institutions as developing. The profiles contain, among other things, information relating to enrollment, faculty, and financial condition. There are 35 data elements on each profile sheet.

For both analyses we used certain data elements on profile sheets for 751 of the 768 institutions that applied for the basic program for program year 1973-74. In all, we used 22 of the 35 data elements; usually, the data for the other 13 elements was not shown on the profile sheets. We performed both analyses separately for 2- and 4-year schools,

because of the legislative ceilings on the percentage of total funds that could be awarded to each type institution. Appendix I discusses in detail the statistical techniques used and the results of the analyses.

Grant award determinations

Our analysis identified those characteristics having a statistically significant impact on which 2- and 4-year institutions were selected to participate during school year 1973-74. The following characteristics, listed in the order of significance beginning with those having the greatest significance, had a statistically significant impact on OE's eligibility determinations.

2-year institutions

--Whether or not the institution was funded in the previous school year, 1972-73; specifically, institutions funded in 1972-73 were strongly associated with the group selected to participate in 1973-74.

--The racial composition of the institution's student body; specifically, predominantly black institutions were strongly associated with the group selected to participate in 1973-74.

4-year institutions

--Whether or not the institution was funded in the previous year; specifically, institutions funded in 1972-73 were strongly associated with the group selected to participate in 1973-74.

--The portion of the student body from low-income families; specifically, institutions selected to participate tended to have higher percentages of students from low-income families than those not selected.

--Whether the institution was a public or private institution; specifically, private institutions were strongly associated with the group selected to participate in 1973-74.

Fund allocation decisions

OE has no criteria for making fund allocations; it relies on the funding recommendations of the independent evaluators after review and revision by the OE staff. The characteristics which apparently influenced the decisions to allocate

funds are listed by 2- and 4-year institutions in order of significance beginning with the most significant.

2-year institutions

--The funding relationship between OE and the participating institutions; institutions receiving grants directly from OE (as opposed to participating in a cooperative arrangement) were strongly associated with larger fund allocations.

--The racial composition of the institution's student body; predominately black institutions were strongly associated with larger fund allocations.

--Total education and general expenditures per full-time equivalent student; institutions which had higher total education and general expenditures per full-time equivalent student were strongly associated with larger fund allocations.

4-year institutions

--Racial composition of the institution's student body; predominately black institutions were strongly associated with larger fund allocations.

--The funding relationship between OE and the participating institution; institutions receiving grants directly from OE were strongly associated with larger fund allocations.

--Number of students from low-income families; institutions with more students from low-income families tended to receive larger fund allocations.

CURRENT OE ELIGIBILITY DETERMINATIONS

In accordance with the title III legislation, OE established program regulations in May 1974 and revised them in June 1975. The regulations contain the criteria to be used to determine eligibility in the program. They evolved from the cooperative efforts of OE and the Advisory Council and contain quantitative and qualitative factors which, according to OE, are designed to show that applicant institutions are (1) making reasonable efforts to improve the quality of their teaching and administrative staffs and their student services and (2) struggling, because of financial or other reasons, for survival and are isolated from the main currents of academic life. The quantitative and qualitative factors

are the same in both sets of regulations. The May 1974 regulations were used as a basis for making eligibility determinations for the 1975-76 school year; the June 1975 regulations will be used for the 1976-77 school year.

The quantitative factors were established by the type and control of institutions--2-year public and private and 4-year public and private. In the May 1974 regulations, each factor had a minimum and maximum numerical value, which differed by institutional type and control. For example, the range for full-time enrollment at 2-year private institutions was from 250 to 850 students; whereas at 2-year public institutions the range was from 500 to 2,500 students. Different ranges were shown for 4-year public and 4-year private institutions.

In the June 1975 regulations, each quantitative factor has a series of numerical values based on data submitted on fiscal year 1974 applications for both the basic and advanced programs. The values are shown for five percentiles beginning with the 5th and ending with the 95th and are intended to show applicant institutions how they stand in relation to their peers within the universe of developing institutions. The factors for the 2- and 4-year institutions, without the numerical values, are shown below.

2-year institutions	4-year institutions
1. Full-time equivalent enrollment	1. Full-time equivalent enrollment
2. Full-time enrollment	2. Percent of faculty with doctorates
3. Percent of faculty with masters	3. Average salary of professors
4. Average salary of faculty	4. Average salary of instructors
5. Percent of students from low-income families	5. Percent of students from low-income families
6. Total expenditures for educational and general purposes	6. Total expenditures for educational and general purposes

2-year institutions	4-year institutions
7. Total educational and general expenditures per full-time equivalent student	7. Total educational and general expenditures per full-time equivalent student
8. Total volumes in library	8. Total volumes in library

The regulations provide that (1) institutions falling within the range for all factors be included for further review under the qualitative criteria and (2) if an institution falls outside the range for one or more factors, it be given an opportunity to show that this does not materially affect its character. OE then subjectively determines the institution's eligibility.

The qualitative factors included in the regulations fall under three basic groupings--enrollment, institution personnel, and institutional vitality. Under the enrollment grouping, the regulations list such factors as

--percentage of freshmen completing their first year,

--percentage of freshmen that eventually graduate from the institution, and

--number of graduates continuing their education.

Factors listed under the institution's personnel grouping include the percentage of all professional personnel with advanced degrees and the institution's salary scale. The regulations list such things as fund-raising capability and planning capability under the institutional vitality grouping.

Although the final regulations were not published until May 1974, OE officials said the quantitative and qualitative factors represented the type of information they used in the past to make eligibility determinations.

Nothing in the regulations, however, shows how OE will use the quantitative and qualitative factors to determine whether schools are trying to improve the quality of teaching, administrative staffs, or student services or whether the schools are struggling for survival.

CONCLUSIONS

Our statistical analysis of OE's eligibility decisions for school year 1973-74 showed that those institutional characteristics which statistically appeared to have influenced such decisions were not, for the most part, among the eligibility factors that OE subsequently established. OE said these factors, although not formalized by regulation until May 1974, were used in making past determinations. Only one of the eligibility factors OE considered important was shown by our analysis to be statistically significant--the number and percentage of low-income students. Institutions with a high number or percentage of low-income students tended to stand a better chance of being eligible than institutions with a lesser number or percentage.

One eligibility factor, education and general expenditures per full-time student, appeared in our analysis of fund allocations to have a statistically significant impact when such expenditures were high in relation to other applicants' expenditures, suggesting a relatively strong financial position. Although OE does not have specific criteria for allocating funds, one factor, which an institution struggling for survival would seemingly exhibit, would be relatively low education and general expenditures per full-time student. Further, the other institutional characteristics, shown to have a statistically significant impact on eligibility determinations, such as prior year funding and racial composition of the student body, did not appear to be the type of information that could be used to determine (1) whether an institution was trying to improve the quality of teaching, administrative staff, or student services or (2) whether the institution was, for financial or other reasons, struggling for survival.

Because OE had not formalized eligibility criteria until after we completed our fieldwork, we did not attempt to evaluate the criteria's adequacy. However, based on the results of our statistical analysis of eligibility determinations for school year 1973-74, OE apparently either did not consistently apply the criteria it said it was using or used other criteria. If OE used other criteria, the criteria established in May 1974 may not appropriately identify developing institutions. In any event, no certainty exists that eligibility determinations, if continued as in the past, will help those institutions intended by the legislation.

RECOMMENDATIONS TO THE SECRETARY, HEW

Accordingly, we recommend that the Secretary direct the Commissioner of Education to (1) reconsider the criteria that OE established to identify developing institutions to

insure that such criteria in fact identify those institutions intended by the legislation and (2) depending on the results of the above, insure that OE's criteria are appropriately modified and consistently applied.

AGENCY COMMENTS

HEW, in a letter dated August 14, 1975, agreed with our recommendations and said OE criteria was being reconsidered, to provide a more precise identification of developing institutions. (See app. II.) HEW also said OE has made and will continue to make appropriate changes to the criteria and will try to consistently apply the criteria in selecting institutions for assistance.

CHAPTER 3

LIMITATIONS ON ASSESSING PROGRAM BENEFITS

As OE program evaluations indicated, participating institutions made progress toward development. Also, many officials both at institutions that responded to our questionnaire and that we visited believed their institutions received benefits from the program and experienced growth.

We attempted to assess the program's nationwide success in meeting its objective--strengthening developing institutions--by identifying the participating institutions that either reached a developed status or made progress toward this status. We could not make such an assessment, because at the time of our fieldwork OE had not specifically defined a developing institution in quantitative terms and had not determined the point at which such an institution would be considered developed--that is, no longer needing program assistance.

We also attempted to assess program benefits at the institutions visited. Several factors kept us from assessing such benefits:

--The institutions had not objectively evaluated program or project results.

--Generally, the institutions had not adequately planned their programs or projects, which in itself negated the possibility of sound evaluations.

--Program grants generally constituted only a small portion of institutions' total operating income.

PROGRAM BENEFITS--VIEWS OF OE AND INSTITUTIONS

OE program officials believed title III moved many institutions toward development in the areas of placement, faculty development, and management. The OE evaluation contractor also believed participating institutions experienced growth. The contractor's report stated that participating institutions

> "did indeed develop between 1965-1966 and 1970-1971 (the years selected for study) in all areas we examined--student characteristics, faculty characteristics, characteristics of administrators, characteristics of trustees, and selected budget characteristics."

According to the study, the institutions reviewed grew in (1) full-time enrollments, (2) quality of faculty, (3) the degree of specialization of administrative functions, and (4) institutional budgets.

Officials at most of the 522 grantee institutions responding to our questionnaire said the program had been beneficial. About 68 percent believed their projects had a significant impact on overall institutional growth. Most of the remaining 32 percent believed the program provided funds for worthwhile projects but did not have a significant impact on overall institutional growth.

Questionnaire responses indicated that many institutions grew during their participation in the program in such areas as enrollment, income, expenditures, and the number of faculty holding advanced degrees.

Of the institution officials who responded to our questionnaire, about 70 percent believed faculty development projects were the most beneficial projects funded under the program. About 3,000 faculty and staff members at their institutions studied toward advanced degrees. Generally, the institutions provided stipends to faculty on leave for advanced study or used national teaching fellows and professors emeritus to help free regular faculty for advanced study.

Curriculum development projects closely followed faculty development projects as the most beneficial project type, according to the questionnaire respondents. The cooperative or consortia arrangements for curriculum development were cited as being very helpful. For example, 35 institutions participated in a single project to develop new freshmen curricula.

Officials at the 10 institutions visited said program funds played a major role in one or more areas of institutional growth. For example, one official said that his institution (1) would not have progressed to its current stage of development, in such areas as placement and faculty development, without title III support (2) was able to initiate projects using program funds, demonstrate their inherent benefits, and obtain State funding for their continuation. At another institution, officials stated that program funds have provided beneficial faculty development projects year after year and that program funds enabled the institution to revise its curriculum and provide remedial educational services to students.

PROBLEMS IN ASSESSING OVERALL PROGRAM BENEFITS

Both OE's and the institutions' views of program benefits have been largely subjective. According to OE program officials, objectively measuring the impact of title III or attributing accomplishments at a particular institution to the program is difficult. One program official said the contractor's program evaluation was inadequate; the contractor basically concluded that he could not evaluate the program.

One measure of program success could be the number of participating institutions that either reached a developed status or made progress toward reaching this status. As discussed in chapter 2, however, OE had not, at the time our fieldwork ended, devised a specific definition for a developing institution. The quantitative factors and ranges in the May 1974 regulations making up this definition will be used only for program eligibility determinations. If these factors and ranges appropriately identify developing institutions, they could also be used to measure program success. Any institution exceeding the upper limits of the ranges in the definition would be considered developed, and an institution's progress toward that status could be measured yearly. Designing appropriate evaluation methods using eligibility criteria would help OE meet the requirement for an annual program evaluation as required by section 417(a)(1) of the General Education Provision Act, as amended (20 U.S.C. 1226( )).

PROBLEM IN ASSESSING PROGRAM BENEFITS AT INSTITUTIONS

The benefits cited by institution officials were based largely on subjective judgments. The institutions' lack of adequate planning and goal setting and the fact that grant sizes were usually small in relation to total institutional income kept us from objectively assessing program benefits.

Institution evaluation efforts

Evaluations of title III programs and projects performed by institutions visited usually consisted of subjective summaries of the year's activities contained in annual reports to the presidents, brief progress reports to OE, or applications for the next year's funding. Institutions either had not collected objective performance data or such data was not readily available. Further, of the institutions responding to our questionnaire, about 72 percent said they did not

compare project results to established goals or objectives for fiscal year 1972.

In those instances where the institutions collected objective data, the degree of success could not be determined because measurable objectives had not been established. For example, officials at one institution, which established a placement office using title III funds, said they experienced some success in terms of increased student interviews, visits by recruiting organizations, and graduates employed. Even though quantitative data was collected, the degree of success could not be assessed because the project's objectives were not expressed in measurable terms, such as the number or percentage increase expected in student interviews, recruiting visits, or graduates employed.

OE's evaluation contractor concluded from studying the program that one major program weakness is institutions' inability to monitor their performance. The contractor recommended that "* * * serious attention be given to the evaluation section * * * of proposals" and that if institutional workshops are held, "evaluation might well be a recurrent theme."

The Congress recognized the importance of program evaluation in the Education Amendments of 1972. These amendments, enacted on June 23, 1972, (86 Stat. 235), added the requirement that approved applications for title III grants set forth policies and procedures for evaluating the effectiveness of the project or activity in accomplishing its purpose. Accordingly, OE distributed guidelines to funded institutions on April 2, 1974, requiring that a portion of each title III grant for school year 1973-74 be used to evaluate their program's effectiveness.

Inadequate goal setting and long-range planning

OE's program guidelines require that institutions state in their applications the objectives of individual projects and the expected impact--including quantitative results--on the institution. Objectives stated in measurable terms, by type of change or impact expected, are essential to evaluating program effectiveness; these objectives were generally lacking in the applications submitted by the 10 institutions visited. Some project objectives cited in institution applications were, as follows:

--Continue developing a meaningful and viable program in the career planning and placement area and to improve placement in summer and part-time jobs.

--Continue a reading program which is developmental, corrective and/or remedial, with special emphasis on developing new and different approaches, techniques, procedures, and materials for teaching certain ethnic and subcultural students.

--Continue research investigations designed to strengthen teaching techniques or methods and to develop additional utilization of effective instruction materials for the interethnic and cross-cultural student.

--Assist the continued curriculum development within the various departments and provide opportunities for major curriculum revisions and innovations in instruction.

Regarding improved placement in summer and part-time jobs, institutions could have stated the expected numeric or percentage improvement in such placements as a project goal.

The institutions visited also had shortcomings in their long-range program plans. OE instructions for submitting grant applications require institutions to state (1) their program objectives and (2) how the program is expected to support the institution's overall development. The 10 institutions visited stated program objectives in their applications but generally did not relate these objectives to plans for overall institutional development. Some program objectives were to:

--Reduce the massive deficiencies in basic educational skills, which make it difficult for most students to meet average college standards in their studies.

--Free many students with high intellectual potential from some of the crippling effects of deficient educational and cultural backgrounds.

--Serve the special students who come to the institution, that is, those students from low-income regions in which the effects of low-expenditure-level elementary and secondary education are pronounced.

In developing the new advanced program under title III (see ch. 1), OE recognized that program and individual project objectives had not been stated in the past in measurable terms and related to an overall plan for growth. For

example, a January 1973 OE internal document on the advanced program states:

> "Without specification of purposes and objectives, as in an institutional plan, funds will continue to be fragmented among many separate projects which are not mutually reinforcing and no one of which has noticeable impact upon the institution."
>
> * * * * *
>
> "It will continue to be difficult to determine program impact and identify successful programs and practices utilized by institutions."

In addition to not relating program objectives to a plan for institutional growth, most institutions did not take into account the time necessary to accomplish program and project objectives. They should also consider how title III funds will be replaced after Federal support ceases. Of the applicant institutions responding to our questionnaire, 57 percent said OE did not impose any time limit for completing individual projects, and 45 percent said they did not establish such a limit on their own. About 60 percent, nevertheless, believed that OE should set time limits for completing individual projects.

The May 1974 program regulations require that project objectives, for both the basic and advanced program, be stated in measurable terms. In addition, applicants for both programs must submit narrative descriptions of the relationship between the proposed institutional title III program and the planned overall institutional development. Institutions applying for the advanced program must state a general strategy for replacing program funds at the end of the grant period.

Size of grants

Another hindrance to evaluating the impact of title III at the institutional level was the relatively small percentage of an institution's total income that the title III grants usually represented. We randomly selected 44 of the 467 institutions receiving basic grants in fiscal year 1973 to determine grant size in relation to total income. The size of the grants to the 44 institutions ranged from less than 1 percent to 15 percent of total institutional funds; the grants to 27 of the 44 institutions represented 5 percent or less of total institutional income.

OE officials recognized that grants under the basic title III program have not been sufficient to have a visible impact on strengthening an entire institution. To overcome this and to accelerate institutions' progress toward development, OE initiated the new advanced program to provide much larger grants to a small number of high-potential developing institutions.

OE officials plan to continue to fund many institutions under the basic title III program, because they believe that the institutions' basic needs continue. Their overall objective under the basic program is to move the most developed institutions into the advanced program and to eventually eliminate program funding for those institutions showing the least growth over a period of time.

CONCLUSIONS

If OE is to make informed judgments regarding program direction and fund allocation among eligible institutions, it needs objective evaluations of program results both at the institutional and national level.

Adequacy of program planning largely determines evaluation quality. From our visits and the responses to our questionnaire, many institutions apparently did not adequately plan their title III projects and programs and did not attempt to relate these efforts to their plans for overall institutional growth. Program regulations issued in May 1974 require goal setting and relating goals to institutional plans, but the institutions had not met similar requirements issued by OE in the past.

OE evaluations of overall program success have been largely subjective. As an objective measure of the program's success nationwide, OE could use the eligibility criteria to identify developing institutions. Using these criteria in appropriate evaluation designs could help OE determine (1) the number of participating institutions that develop and no longer require program support and (2) some measure of other participating institutions' progress toward development.

RECOMMENDATIONS TO THE SECRETARY, HEW

Accordingly, we recommend that the Secretary direct the Commissioner of Education to:

--Reemphasize the need for participating institutions to state project goals in specific measurable terms and to relate the impact of the title III effort to institutional growth.

--Consider how well institutions have complied with program regulations for planning and evaluation when deciding to award grants.

--Use the program eligibility criteria as a means to evaluate overall program impact.

AGENCY COMMENTS

HEW generally agreed with our recommendations and made the following statements:

--OE will reemphasize the need for institutions to state project goals in specific measurable terms and the need to relate these goals to institutional growth in the Code of Federal Regulations, annual workshops conducted by title III personnel, and discussions with institution personnel during site visits. OE will also revise the application form for the basic program to require a more explicit description of programs and program objectives.

--OE will revise its rating form for evaluating applications to include an increasingly objective assessment of how well institutions have complied with regulations dealing with program planning and evaluation.

--OE is currently using eligibility criteria as a means for evaluating overall program impact and the process is being continually refined. Also, OE has awarded a contract for a study of title III. The study will estimate title III's impact by analyzing changes in the institutional characteristics which make up the program eligibility criteria.

CHAPTER 4

NEED FOR IMPROVEMENTS IN PROGRAM ADMINISTRATION

Along with the opportunities to improve program operations discussed in chapters 2 and 3, OE could better administer the title III program by making more timely grant award notifications and improving program monitoring.

MORE TIMELY GRANT AWARD NOTIFICATIONS NEEDED

Title III grants are awarded from one fiscal year's appropriation for grantee institution spending in the following fiscal year. Although this would seemingly allow adequate time for institutions to submit and OE to review grant applications, about 48 percent of the participating institutions responding to our questionnaire said late grant notifications limited their projects' success. Administrators at several institutions visited said late notification of program funding hampered the planning and implementation of title III activities.

Institution administrators said grant notifications often were not received until after submission of their annual operating budgets. Many times they were uncertain whether their grant applications would be approved or, if approved, what the grant amount would be. As a result, planning program activities was difficult. One official, for example, said he had new contracts with personnel assigned to title III activities before he received final notice from OE. He had to hope that the grant would cover salaries and related costs. He stated further that late grant notifications made it difficult to locate and hire new staff.

Grant applications for a school year are due to OE on November 15 of the preceding year. For example, a school applying for a grant for the 1973-74 school year must have made application to OE by November 15, 1972. Three groups of independent evaluators are selected from the higher education community, including developing institutions, to review these applications. They are reviewed during three sessions--usually lasting 3 days--held during December and January. Evaluators are grouped in teams of two. Each team reads and evaluates about 25 applications. Once the evaluators complete their review, OE officials consider their comments and recommendations and make the final decision to approve or disapprove the application. OE officials then decide the grant amount and prepare award letters.

Institutions receiving grant notifications must submit a final budget to OE within 30 days. Until these budgets are approved, grant expenditures are limited to a maximum of 10 percent of the grant amount.

The third evaluation session for the 1972-73 school year applications ended January 21, 1972. Most of the 10 institutions visited, however, did not receive grant notifications from OE until June 1972, and OE generally did not approve their revised budgets until after the grant period began. Two of the 10 institutions did not receive OE approval until October and November 1972, respectively, although the effective date of their grants was July 1, 1972. Thus, several months of the grant period elapsed before they were assured that OE approved their planned grant fund expenditures.

OE officials said they recognized the problem of late grant notification and believed the lack of adequate staff to process application and award documents primarily caused the problem. At the time our fieldwork ended, 10 OE staff members were assigned to the title III program, of which 2 were assigned full time. The remaining eight people were assigned to other OE programs but were used in the title III program during the application review and grant notification processes.

NEED FOR IMPROVED PROGRAM MONITORING

OE monitored the program through progress reports, telephone contacts, and site visits. As discussed in chapter 3, evaluative comments in progress reports and grant applications generally did not compare performance data against measurable project and institutional development objectives.

The title III advisory council and OE program officials recognize the value of site visits to grantee institutions to identify program results and to provide technical assistance. Institutions responding to our questionnaire generally favored more visits by OE staff and several said more technical assistance from OE would be beneficial. OE records show that during school years 1971-72 and 1972-73, program officials visited 100 of the 500 participating institutions. According to OE program officials, more site visits would have been beneficial, but they were limited because OE lacked adequate staff and travel funds.

Included in the conclusions and recommendations from the contractor's study of developing institutions was a statement that

> "* * * due largely to inadequate travel budgets, their OE title III staff contact with the field is not as frequent as we would recommend. A site visit should be made before any institutions received title III funds."

OE did not have written guidelines for site visitors to follow. Program officials developed a trip report format, but it was not consistently followed. The site trips were generally for 1 or 2 days and in some cases one trip included visits to several institutions. An OE program official said these trips were too short to allow for adequately reviewing funded projects. Much of the information in the trip reports was general and did not appear to be of much value in monitoring programs at the individual institutions.

Weaknesses indicating a need for improved OE monitoring

The law states that title III funds are intended to supplement rather than supplant (replace) regular institutional funds. We noted evidence of supplanting at some institutions visited.

--At one institution an employee's salary was paid with program funds, although he did no work relating to the program.

--In other instances, the time employees devoted to program activities apparently was not proportionate to the portion of their salary paid with program funds.

Our questionnaire results indicated possible supplanting at other institutions. For example, many participating institutions responding to our questionnaire said title III funds were used to continue existing programs and to pay salaries previously paid with other institutional funds. According to an OE official, while some supplanting occurs, uncovering it with their limited monitoring is most difficult. Although not conclusive, these responses raise questions on whether program funds are being used as a supplement to institutional funds.

Sometimes benefits derived by institutions participating in cooperative arrangement did not appear commensurate with

institutional costs. Two institutions visited were participating in separate arrangements involving several developing institutions and assisting agencies. Officials at these institutions said they were required under the grant terms to pay a fixed yearly fee from grant funds to the assisting agencies. They said (1) after the first few years of the arrangements the assisting agencies provided little new information in their seminars, workshops, and literature and (2) their institutions remained in these cooperative arrangements to assure a source of funding for other activities financed under the arrangements. In response to a related question in our questionnaire, several participating institutions indicated the services provided by assisting agencies did not justify the fee paid them from title III funds.

CONCLUSIONS

Title III grants under the basic program are normally for 1 year and participating institutions cannot be certain of receiving funds in later years. For planning and implementation purposes and, ultimately, the success of the program, applicant institutions should be notified as to the approval or disapproval of their application as soon as possible. The yearly uncertainty of title III funding and untimely grant notifications and project budget approval have hampered institutional planning and implementation of program activities.

The success of OE's program monitoring has been limited. To provide for better monitoring within existing staffing and travel funds, OE needs to improve its site visitation program. Weaknesses noted at some institutions visited indicate that better monitoring could: (1) help insure that program funds are used as intended, (2) provide for better determination of program progress, and (3) provide needed technical assistance to the institutions.

RECOMMENDATION TO THE SECRETARY, HEW

We recommend that the Secretary direct the Commissioner of Education to:

--Provide participating institutions with timely award notifications to permit adequate planning and implementation of title III activities.

--Improve program monitoring by developing and implementing a more viable site visitation program.

AGENCY COMMENTS

HEW agreed with our recommendation that grantees be given timely award notification and stated that, although OE had established new award procedures in fiscal year 1974, these procedures had not greatly improved the timeliness of awards. HEW added that OE would continue to strive for improved timeliness within existing resource constraints.

HEW also agreed with our recommendation regarding a more workable site visitation program. To prepare for an expanded program within existing resources, OE is devising a site visitation calendar, scheduling staff seminars on monitoring and evaluation, and revising the site visitation report form. The form will include quantitative measures of program achievement and institutional development. HEW stated that two consortia had been formed to help improve the review and evaluation of institutions participating in the advanced program.

GAO'S APPROACH TO THE STATISTICAL ANALYSIS OF FACTORS AFFECTING TITLE III GRANT AWARD DECISIONS

The purpose of our analyses was to identify factors which may have influenced OE decisions with respect to

--which of the applicant institutions were selected to participate in the basic program for the 1973-1974 program year and

--the dollar amount of program funds allocated to each institution selected to participate in the basic program for the 1973-1974 program year.

SCOPE OF ANALYSES

Our approach included two different statistical analyses. Our first analysis centered on a determination of those institutional characteristics that were associated with institutions selected to participate in the 1973-1974 program year. The second analysis centered on the identification of factors which statistically explain the grant amounts awarded to institutions selected to participate in the 1973-74 program year. Each analysis was performed separately for 2- and 4-year institutions because of the legislative requirement that 24 percent and 76 percent of program funds be allocated to 2- and 4-year institutions, respectively. We collected and analyzed data on 751 of 768 applicant institutions, 421 (56 percent) of which were 2-year institutions. Of the 751, 466 (59 percent) were funded.

Data used in our analyses was obtained from OE's applicant profile sheets and its 1973-74 awards booklet. We introduced the following data elements into the analyses

--whether or not the institution was funded in program year 1973-74;

--whether the institution was public or private;

--whether the institution was a 2- or 4-year school;

--racial composition of the student body;

--number of full-time equivalent students;

--number of full-time equivalent faculty members;

--percent of faculty with advanced degrees;

--number and percent of students from low-income families;

--whether or not the institution had at least 40 percent of its students from low-income families;

--number and percent of students from low-income families receiving student aid;

--total educational and general expenditures per full-time equivalent student;

--volumes in library;

--1973-74 award amount;

--whether or not the institution was funded as a direct grantee;

--whether or not the institution had been funded in program year 1972-73;

--a measure of financial condition, that is, current and projected income divided by current and projected expenditures.

ANALYTIC TECHNIQUES USED

We used two multivariate statistical tests in our analysis. Discriminant analysis was used in our analysis of award decisions--funded or not funded. Stepwise multiple regression analysis was used in our analysis of program funds allocated to participating institutions.

Discriminant analysis

We used discriminant analysis to identify those characteristics which differentiated applicant institutions selected to participate in program year 1973-74 from those that were not selected. The analysis identified these differentiating characteristics and how much influence each of them had in distinguishing between participants and nonparticipants. Only characteristics that were statistically significant at the 95-percent probability level were considered to differentiate the two groups.

Multiple regression analysis

We used stepwise multiple regression analysis to identify institutional characteristics which tended to explain the amount allocated to each school selected to participate in school year 1973-74. The analysis identified these characteristics and the extent to which variances in the allocated amounts are explained by these characteristics. Only characteristics which were statistically significant at the 95 percent probability level were considered to provide significant explanatory power.

The tables on the following pages provide the statistical details of the analyses. The institutional characteristics in the tables are listed in descending order of significance; they were the only characteristics shown by our analyses to be statistically significant.

Following are the terms used in the tables and their definitions:

Correlation--a measure of the degree of relationship between factors.

R^2 --the proportion of the variance in the dependent factor explained by the independent factors.

U-statistic--the proportion of the variance in the dependent factor not explained by the independent factors.

F-statistic--a measure of the relationship between a given independent factor and the dependent factor in the regression or discriminate equation. F values in excess of 3.84 indicate a 95-percent chance that there is a statistically significant relationship.

Beta --the amount of change in the dependent factor associated with a change of one unit in the independent factor.

TABLE I

Discriminant Analysis of Characteristics
Which Influenced Award Decisions
Significance Level--95 Percent

2-Year Institutions

Factor	F-statistic	Cumulative U-statistic
Prior year funding	92.63	.7932
Racial composition	4.89	.7824
F-statistic of discriminant equation:		49.63

4-Year Institutions

Factor	F-statistic	Cumulative U-statistic
Prior year funding	481.94	.3423
Percent low-income students	6.49	.3372
Type institution--public or private	4.35	.3322
F-statistic of discriminant equation:		191.00

TABLE II

Multiple Regression Analysis of Characteristics Which Influenced Program Funding Significance Level--95 Percent

2-Year Institutions

Factor	Beta	F-statistic	Correlation with allocated amount	Cumulative R^2
Direct grantee	-.43161	58.532	-.58056	.33705
Racial composition	-.42999	58.181	-.57479	.50078
Total educational and general expenditures per full-time equivalent student	.12671	5.670	.15049	.51680

F-statistic of regression equation: 60.96

4-Year Institutions

Factor	Beta	F-statistic	Correlation with allocated amount	Cumulative R^2
Racial composition	-.55496	173.252	-.80458	.64735
Direct grantee	-.28318	50.530	-.64898	.72351
Number low-income students	.21581	30.422	.59207	.75807

F-statistic of regression equation: 222.47

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20201

AUG 14 1975

Mr. Gregory J. Ahart
Director
Manpower and Welfare Division
General Accounting Office
Washington, D.C. 20548

Dear Mr. Ahart:

The Secretary asked that I respond to your request for our comments on your draft report to the Congress entitled, Assessment of the Federal Program for Strengthening Developing Institutions of Higher Education. They are enclosed.

We appreciate the opportunity to comment on this draft report before its publication.

Sincerely yours,

John Young

John D. Young
Assistant Secretary, Comptroller

Enclosure

APPENDIX II

COMMENTS OF THE DEPARTMENT OF HEALTH, EDUCATION AND WELFARE ON THE COMPTROLLER GENERAL'S REPORT TO CONGRESS ENTITLED "ASSESSMENT OF THE FEDERAL PROGRAM FOR STRENGTHENING DEVELOPING INSTITUTIONS OF HIGHER EDUCATION"-- June 27, 1975 B-164031(1)

GAO RECOMMENDATION

The Secretary of HEW should direct the Commissioner of Education to:

Reconsider the criteria that OE established to identify developing institutions to insure that such criteria in fact identifies those institutions intended by the legislation.

DEPARTMENT COMMENTS

We concur. We are currently reconsidering the criteria that OE published in order to establish an even more precise yardstick. The quantitative factors have been expanded from eight to twenty-six. The attempt is being made to weigh them in terms of their validity, then to develop institutional profiles based on these weighted factors. This reexamination of data will lead to a more precise means of identifying developing institutions.

Also, effort is being made to chart the nature and process of institutional development. The range which was published in the Regulations in June 1975 attempts to assist institutions in determining where they stand in relation to their peers within the universe of developing institutions. Institutions qualifying for the Basic Program are considered for funding at any point beginning with the 25th percentile and clustering between the 50th and the 75th percentiles. Colleges with percentiles at or above the 75th percentile are considered qualified to compete in the Advanced Program. Institutions whose quantitative measures exceed the 95th percentile are considered too developed to be "struggling for survival."

APPENDIX II

GAO RECOMMENDATION

The Secretary of HEW should direct the Commissioner of Education to:

Depending upon the results of the above, either insure that the criteria are consistently applied or appropriately modified.

DEPARTMENT COMMENTS

We concur that the criteria should be appropriately modified and then consistently applied. As we outlined above, we have made and are continuing to make, appropriate modifications of our criteria and will continue to apply our best judgment in endeavoring to consistently apply the criteria in the selection of institutions for assistance.

GAO RECOMMENDATION

The Secretary of HEW should direct the Commissioner of Education to:

Reemphasize the need for participating institutions to state project goals in specific measurable terms, and relate the impact of the Title III efforts to institutional growth.

DEPARTMENT COMMENTS

We concur. The need for stating project goals in specific measurable terms and relating these goals to institutional growth and development will be reemphasized (1) in the Rules and Regulations for Title III which are published in the Federal Register (2) at the Federal workshops in technical assistance which are held annually in advance of each application deadline and (3) in discussions with college personnel during site visits at grantee institutions.

Also, the application form for the Basic Title III Program will be revised to require a narrative to include a more explicit description of the programs and program objectives that are being planned to achieve long-range goals. The expected impact of the planned programs on institutional growth and development is to be expressed in as precise quantitative and qualitative measures as experience indicates is practical.

GAO RECOMMENDATION

The Secretary of HEW should direct the Commissioner of Education to:

Consider how well institutions have complied with program Regulations for planning and evaluation when making decisions to award grants.

DEPARTMENT COMMENTS

We concur. OE is currently using a rating form to evaluate applications for possible grant awards. This form will be revised as experience dictates to assure an increasingly objective assessment of the planning-evaluation narrative described under the comment to the previous recommendation.

GAO RECOMMENDATION

The Secretary of HEW should direct the Commissioner of Education to:

Use the program eligibility criteria as a means for evaluating overall program impact.

DEPARTMENT COMMENTS

We concur. The program eligibility criteria are currently being used as a means for evaluating overall program impact and this process is refined continually. For example, in fiscal year 1975 for each of the institutions previously funded, going as far back as fiscal 1969, a profile was prepared indicating the percent of change from year to year in the key eligibility criteria factors used in determining institutional development. The personnel reviewing the applications for funding were apprised of this material and given guidance in the interpretation of the profiles as a means of evaluating program impact.

In addition, the Office of Education awarded a contract on June 30, 1975 to Harvard University for a study of Title III which will include the creation of a master data base and which will, hopefully, allow us to estimate the effects of Title III assistance more precisely than is possible at present. Estimation of the impact of Title III, will, first, focus on descriptive and statistical analysis of institutional change -- including changes in institutional characteristics reflected by program eligibility criteria. A second area of investigation will attempt to discover whether any changes observed are statistically significant and can reasonably be inferred as the effects of Title III, as separate from the effects of various student assistance programs.

GAO RECOMMENDATION

The Secretary should direct the Commissioner of Education to:

Provide grantee institutions with timely award notifications to permit adequate planning and implementation of Title III activities.

DEPARTMENT COMMENTS

We concur. In fiscal year 1974 OE established new procedures to improve the process of issuing discretionary grant awards. Among the major steps taken was the introduction of a system of work scheduling whereby program staff indicated the projected dates for completion of key milestones required for processing of the awards. Although some improvements resulted from the introduction of the new system, the changes have not significantly improved the timeliness of the award issuances. The timely issuance of grants is dependent on a great number of factors. Many of these are external, and as such, are not under our control. However, OE will continue to strive for improved timeliness in the issuance of the award notifications to grantees in line with available program resources and the various resource constraints upon the management system.

GAO RECOMMENDATION

The Secretary should direct the Commissioner of Education to:

Improve program monitoring by developing and implementing a more viable site visitation program.

DEPARTMENT COMMENTS

We concur, and to the maximum extent possible, within current resource restraints, OE will expand its site visitation program.

In this connection, assuming more adequate resources in personnel and travel funds for the coming year, OE is planning to enlarge significantly the number of basic grant institutions to be monitored in advance of another award period. In preparation for this step a site visitation calendar is being prepared, staff seminars on monitoring and evaluation are being scheduled, and the site visitation reporting form is being revised. This form will include quantitative measures of program achievement and institutional development reflecting the present state of the evaluation art.

Two consortia have been formed among the two- and the four-year advanced institutions funded under the advanced portion of the program in order to increase the economy and effectiveness of the

APPENDIX II

monitoring and evaluative process. Funded initially in fiscal year 1975, the consortia will help improve the systematic review and evaluation of the progress of the AIDP colleges funded under this portion of the program.

APPENDIX III

PRINCIPAL HEW OFFICIALS

RESPONSIBLE FOR ADMINISTERING ACTIVITIES

DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
SECRETARY OF HEALTH, EDUCATION, AND WELFARE:		
David Mathews	Aug. 1975	Present
Caspar W. Weinberger	Feb. 1973	Aug. 1975
Elliot L. Richardson	June 1970	Jan. 1973
Robert H. Finch	Jan. 1969	June 1970
ASSISTANT SECRETARY FOR EDUCATION:		
Virginia Y. Trotter	June 1974	Present
Charles B. Saunders, Jr. (acting)	Nov. 1973	June 1974
Sidney P. Marland, Jr.	Nov. 1972	Nov. 1973
COMMISSIONER OF EDUCATION:		
Terrell H. Bell	June 1974	Present
John R. Ottina	Aug. 1973	June 1974
John R. Ottina (acting)	Nov. 1972	Aug. 1973
Sidney P. Marland, Jr.	Dec. 1970	Nov. 1972
Terrell H. Bell (acting)	June 1970	Dec. 1970
James E. Allen, Jr.	May 1969	June 1970